



Declaring our Energy Independence

Dear Friend,

The Senate recently turned its attention to the debate on national energy policy. The events of the last year have highlighted a fact Americans have known since the 1970s – our economic security and our national security depend on our energy security. America's appetite for energy continues to grow each year, and we are expected to consume roughly 1.5 trillion gallons of gasoline over the next decade. Americans need – and deserve – an energy plan that truly moves us toward energy independence.

Recently, I introduced a comprehensive, sensible and balanced plan to address the energy challenges our country faces. This bill achieves a number of objectives important to South Dakota and the nation. It will reduce our dependence on foreign oil, by nearly tripling our use of ethanol; create jobs for American workers by constructing a much-needed natural gas pipeline from the North Slope of Alaska to the lower 48, and providing incentives to build new cleaner coal-fired power plants; ensure abundant and affordable energy for all Americans; improve our air quality; and reduce emissions of greenhouse gases.

This bill is the work of nine Senate Committees and reflects a broad range of ideas and proposals. It allows us to use our traditional fossil fuel supplies more intelligently, while diversifying our energy supplies with renewable sources, like wind, solar, geothermal, and ethanol. This bill also seeks to take advantage of the huge opportunities for common-sense conservation in our cars, our homes, and the appliances we use every day. In fact, the fuel efficiency provisions of this bill will save the U.S. as much oil as we import from the Persian Gulf. If the goal – as so many on both sides of this issue have stated – is true energy security, then this is the way to achieve it: by balancing production and conservation, innovation and improvement in existing technology.

It has been said that “we are all continually faced with a series of great opportunities, brilliantly disguised as insolvable problems.” Meeting our energy challenge is a difficult problem, but it is also a great opportunity to demonstrate American strength, and American ingenuity. I look forward to working closely with my colleagues and the Administration to craft final legislation that can be signed into law this year. It is my hope that, in the end, we can come together to enact an energy policy that increases America's energy independence and provides American consumers with reliable, affordable energy.



Tom Daschle participates in the groundbreaking of the Glacial Lakes Ethanol plant in Watertown.

Sincerely,

Tom Daschle

Call Tom!

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South Dakota Benefits in the Energy Policy Act of 2002

- Creates a Renewable Fuels Standard that will triple ethanol production over the next decade by requiring that an increasing percentage of renewable fuel (ethanol and biodiesel) be blended into motor fuels.
- Makes cooperatives eligible, for the first time, for the existing small producer ethanol tax credit. It also increases the annual production limit on who qualifies as a small producer from 30 million gallons to 60 million gallons per year.
- Provides a five-year extension of the production tax credit for electricity generated by wind, solar, geothermal, or biomass.
- Permits public power companies to take advantage of existing renewable energy tax credits.
- Creates a new tax incentive to promote the use of biodiesel, a soybean-based fuel.
- Requires electric suppliers to produce 10 percent of their electricity from renewable energy sources, such as wind, by 2020.
- Provides new tax credits for homeowners who invest in energy-efficient technology in their homes.
- More than doubles funding for the Low-Income Home Energy Assistance Program (LIHEAP), increasing the annual authorization to \$3.4 billion.
- Provides grants and loans to tribes to expand development of tribal energy sources and to improve tribal energy infrastructure, and creates a new Office of Indian Energy Programs within the Department of Energy.
- Provides tax incentives for investments in energy development on Indian lands.

All of these provisions mean greater energy independence for America. They also mean thousands of jobs and great economic benefit for South Dakota. While the energy bill passed by the House of Representatives has some similarities to the Senate bill, such as the wind production and home energy efficiency credits, the bills remain fundamentally different in their overall approach to energy policy. The House bill focuses almost entirely on the old ways of producing energy – oil, gas, and coal; while the Senate bill seeks a balanced approach that combines traditional fossil fuels with renewable energy sources such as ethanol, wind, and biodiesel and ambitious energy conservation and fuel efficiency initiatives. Drilling alone will not lead to energy independence, so it is important that we have a comprehensive and balanced sound energy policy. The Energy Policy Act of 2002 will achieve that goal and will provide great benefit to South Dakota and the entire nation.
